

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

SENATE BILL NO. 101

INTRODUCED BY Linda Nelson Kitzberger

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING TRUSTEES OF A SCHOOL DISTRICT TO CREATE A TECHNOLOGY ACQUISITION FUND FOR ACQUIRING AND MAINTAINING TECHNOLOGICAL EQUIPMENT AND FOR TECHNICAL TRAINING FOR DISTRICT PERSONNEL; LIMITING A TECHNOLOGY ACQUISITION FUND BUDGET TO 2 PERCENT OF THE GENERAL FUND BUDGET OF A DISTRICT; AUTHORIZING A PERMISSIVE LEVY AND GUARANTEED TAX BASE AID TO FINANCE THE TECHNOLOGY ACQUISITION FUND BUDGET; AMENDING SECTIONS 20-3-324, 20-9-201, 20-9-366, 20-9-367, AND 20-9-368, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Technology acquisition fund -- limitations.** (1) The trustees of a district may establish a technology acquisition fund for school district expenditures incurred for:

(a) the purchase, rental, repair, and maintenance of technological equipment, including computers and computer network access; and

(b) associated technical training for school district personnel.

(2) The trustees of a district shall fund the budget for the technology acquisition fund through the technology acquisition fund levy provided for in [section 2]. If the district guaranteed tax base ratio is less than the corresponding statewide guaranteed tax base ratio, a district may be eligible for guaranteed tax base aid in support of the technology acquisition fund levy under the provisions of 20-9-366 through 20-9-369.

(3) Whenever the trustees of a district determine that an amount of revenue is required for a technology acquisition fund budget, the trustees shall:

(a) adopt a resolution stating the reasons and purpose for financing a technology acquisition fund budget for the ensuing school fiscal year;

(b) adopt a budget for the amount required for the technology acquisition fund for the ensuing school fiscal year that does not exceed 2% of the school district's total general fund budget adopted for the ensuing school fiscal year; and

1 (c) report the technology acquisition fund budget to the county superintendent on the regular  
2 budget form prescribed by the superintendent of public instruction in accordance with 20-9-103.

3 (4) The trustees of a district may not use revenue in a technology acquisition fund to finance  
4 contributions to the teachers' retirement system, the public employees' retirement system, or the federal  
5 social security system or for unemployment compensation insurance.

6  
7 **NEW SECTION. Section 2. Technology acquisition fund levy -- guaranteed tax base aid.** (1) Before  
8 the fourth Monday of July and in accordance with 20-9-123, the county superintendent shall compute the  
9 levy requirement for the technology acquisition fund budget for a district according to the following  
10 procedure:

11 (a) Determine the money available in the technology acquisition fund for the reduction of the  
12 property tax on the district by totaling:

13 (i) anticipated or reappropriated interest to be earned by the investment of technology acquisition  
14 fund cash in accordance with 20-9-213(4);

15 (ii) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,  
16 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

17 (iii) anticipated net proceeds taxes for new production, as defined in 15-23-601;

18 (iv) revenue from corporation license taxes collected from financial institutions under the provisions  
19 of 15-31-702; and

20 (v) any other revenue received during the school fiscal year that may be used to finance the  
21 technology acquisition fund, excluding any guaranteed tax base aid.

22 (b) Subtract the total amount available to reduce the property tax, determined in subsection (1)(a),  
23 from the final budget for the technology acquisition fund as established in [section 1].

24 (2) The county superintendent shall calculate the number of mills to be levied on the taxable  
25 property in the district to finance the technology acquisition fund for the district by dividing the amount  
26 determined in subsection (1)(b) by the sum of:

27 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as  
28 certified by the superintendent of public instruction; and

29 (b) the taxable valuation of the district divided by 1,000.

30 (3) The net technology acquisition levy requirement determined in subsection (2) must be reported

1 to the county commissioners on the fourth Monday of August by the county superintendent as the  
2 technology acquisition levy requirement for the district, and a levy must be set by the county  
3 commissioners in accordance with 20-9-142.

4  
5 **Section 3.** Section 20-3-324, MCA, is amended to read:

6 **"20-3-324. Powers and duties.** As prescribed elsewhere in this title, the trustees of each district  
7 shall:

8 (1) employ or dismiss a teacher, principal, or other assistant upon the recommendation of the  
9 district superintendent, the county high school principal, or other principal as the board considers  
10 necessary, accepting or rejecting any recommendation as the trustees in their sole discretion determine,  
11 in accordance with the provisions of Title 20, chapter 4;

12 (2) employ and dismiss administrative personnel, clerks, secretaries, teacher aides, custodians,  
13 maintenance personnel, school bus drivers, food service personnel, nurses, and any other personnel  
14 considered necessary to carry out the various services of the district;

15 (3) administer the attendance and tuition provisions and otherwise govern the pupils of the district  
16 in accordance with the provisions of the pupils chapter of this title;

17 (4) call, conduct, and certify the elections of the district in accordance with the provisions of the  
18 school elections chapter of this title;

19 (5) participate in the teachers' retirement system of the state of Montana in accordance with the  
20 provisions of the teachers' retirement system chapter of Title 19;

21 (6) participate in district boundary change actions in accordance with the provisions of the districts  
22 chapter of this title;

23 (7) organize, open, close, or acquire isolation status for the schools of the district in accordance  
24 with the provisions of the school organization part of this title;

25 (8) adopt and administer the annual budget or a budget amendment of the district in accordance  
26 with the provisions of the school budget system part of this title;

27 (9) conduct the fiscal business of the district in accordance with the provisions of the school  
28 financial administration part of this title;

29 (10) establish the ANB, BASE budget levy, over-BASE budget levy, additional levy, operating  
30 reserve, and state impact aid amounts for the general fund of the district in accordance with the provisions

1 of the general fund part of this title;

2 (11) establish, maintain, budget, and finance the transportation program of the district in  
3 accordance with the provisions of the transportation parts of this title;

4 (12) issue, refund, sell, budget, and redeem the bonds of the district in accordance with the  
5 provisions of the bonds parts of this title;

6 (13) when applicable, establish, financially administer, and budget for the technology acquisition  
7 fund, tuition fund, retirement fund, building reserve fund, adult education fund, nonoperating fund, school  
8 food services fund, miscellaneous federal programs fund, building fund, lease or rental agreement fund,  
9 traffic education fund, impact aid fund, and interlocal cooperative agreement fund in accordance with the  
10 provisions of the other school funds parts of this title;

11 (14) when applicable, administer any interlocal cooperative agreement, gifts, legacies, or devises  
12 in accordance with the provisions of the miscellaneous financial parts of this title;

13 (15) hold in trust, acquire, and dispose of the real and personal property of the district in  
14 accordance with the provisions of the school sites and facilities part of this title;

15 (16) operate the schools of the district in accordance with the provisions of the school calendar part  
16 of this title;

17 (17) establish and maintain the instructional services of the schools of the district in accordance  
18 with the provisions of the instructional services, textbooks, vocational education, and special education  
19 parts of this title;

20 (18) establish and maintain the school food services of the district in accordance with the provisions  
21 of the school food services parts of this title;

22 (19) make reports from time to time as the county superintendent, superintendent of public  
23 instruction, and board of public education may require;

24 (20) retain, when considered advisable, a physician or registered nurse to inspect the sanitary  
25 conditions of the school or the general health conditions of each pupil and, upon request, make available  
26 to any parent or guardian any medical reports or health records maintained by the district pertaining to the  
27 child;

28 (21) for each member of the trustees, visit each school of the district not less than once each  
29 school fiscal year to examine its management, conditions, and needs, except trustees from a first-class  
30 school district may share the responsibility for visiting each school in the district;

1 (22) procure and display outside daily in suitable weather on school days at each school of the  
2 district an American flag that measures not less than 4 feet by 6 feet;

3 (23) provide that an American flag that measures approximately 12 inches by 18 inches be  
4 prominently displayed in each classroom in each school of the district, except in a classroom in which the  
5 flag may get soiled. This requirement is waived if the flags are not provided by a local civic group.

6 (24) adopt and administer a district policy on assessment for placement of any child who enrolls  
7 in a school of the district from a nonpublic school that is not accredited, as required in 20-5-110; and

8 (25) perform any other duty and enforce any other requirements for the government of the schools  
9 prescribed by this title, the policies of the board of public education, or the rules of the superintendent of  
10 public instruction."

11  
12 **Section 4.** Section 20-9-201, MCA, is amended to read:

13 **"20-9-201. Definitions and application.** (1) As used in this title, unless the context clearly indicates  
14 otherwise, "fund" means a separate detailed account of receipts and expenditures for a specific purpose  
15 as authorized by law or by the superintendent of public instruction under the provisions of subsection (2).  
16 Funds are classified as follows:

17 (a) A "budgeted fund" means any fund for which a budget must be adopted in order to expend  
18 money from the fund. The general fund, transportation fund, technology acquisition fund, bus depreciation  
19 reserve fund, tuition fund, retirement fund, debt service fund, building reserve fund, adult education fund,  
20 nonoperating fund, and any other funds designated by the legislature are budgeted funds.

21 (b) A "nonbudgeted fund" means any fund for which a budget is not required in order to expend  
22 money on deposit in the fund. The school food services fund, miscellaneous programs fund, building fund,  
23 lease or rental agreement fund, traffic education fund, interlocal cooperative fund, internal service fund,  
24 impact aid fund, enterprise fund, agency fund, extracurricular fund, metal mines tax reserve fund,  
25 endowment fund, and any other funds designated by the legislature are nonbudgeted funds.

26 (2) The school financial administration provisions of this title apply to all money of any elementary  
27 or high school district. Elementary and high school districts shall record the receipt and disbursement of  
28 all money in accordance with generally accepted accounting principles. The superintendent of public  
29 instruction has general supervisory authority as prescribed by law over the school financial administration  
30 provisions, as they relate to elementary and high school districts. The superintendent of public instruction

1 shall adopt rules necessary to secure compliance with the law.

2 (3) Except as otherwise provided by law, whenever the trustees of a district determine that a fund  
3 is inactive and will no longer be used, the trustees shall close the fund by transferring all cash and other  
4 account balances to the general fund if the fund does not have a cash or fund balance deficit."

5

6 **Section 5.** Section 20-9-366, MCA, is amended to read:

7 **"20-9-366. Definitions.** As used in 20-9-366 through 20-9-369, the following definitions apply:

8 (1) "County retirement mill value per elementary ANB" or "county retirement mill value per high  
9 school ANB" means the sum of the taxable valuation in the previous year of all property in the county  
10 divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county  
11 high school ANB count used to calculate the elementary school districts' and high school districts' current  
12 year total per-ANB entitlement amounts.

13 (2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the technology  
14 acquisition fund budget and the BASE budget of an eligible district means the taxable valuation in the  
15 previous year of all property in the district divided by the sum of the district's current year direct state aid  
16 and 40% of the special education allowable cost payment.

17 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable  
18 valuation in the previous year of all property in the district divided by 1,000, with the quotient divided by  
19 the ANB count of the district used to calculate the district's current year total per-ANB entitlement amount.

20 (3) (a) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB",  
21 for school facility entitlement and retirement guaranteed tax base purposes, means the sum of the taxable  
22 valuation in the previous year of all property in the state, multiplied by 121% and divided by 1,000, with  
23 the quotient divided by the total state elementary ANB count or the total state high school ANB amount  
24 used to calculate the elementary school districts' and high school districts' current year total per-ANB  
25 entitlement amounts.

26 (b) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax  
27 base ratio", for guaranteed tax base funding for the technology acquisition fund budget and the BASE  
28 budget of an eligible district, means the sum of the taxable valuation in the previous year of all property  
29 in the state, multiplied by 175% and divided by the total sum of either the state elementary school districts'  
30 or the high school districts' current year total direct state aid and 40% of special education allowable cost

1 amounts."

2

3 **Section 6.** Section 20-9-367, MCA, is amended to read:

4 **"20-9-367. Eligibility to receive guaranteed tax base aid.** (1) If the district guaranteed tax base ratio  
5 of any elementary or high school district is less than the corresponding statewide elementary or high school  
6 guaranteed tax base ratio, the district may receive guaranteed tax base aid based on the number of mills  
7 levied in the district in support of:

8 (a) up to 40% of the basic entitlement, up to 40% of the total per-ANB entitlement, and up to 40%  
9 of the special education allowable cost payment budgeted within the general fund budget; and

10 (b) the technology acquisition fund budget.

11 (2) If the county retirement mill value per elementary ANB or the county retirement mill value per  
12 high school ANB is less than the corresponding statewide mill value per elementary ANB or high school  
13 ANB, the county may receive guaranteed tax base aid based on the number of mills levied in the county  
14 in support of the retirement fund budgets of the respective elementary or high school districts in the  
15 county.

16 (3) For the purposes of 20-9-370 and 20-9-371, if the district mill value per elementary ANB or  
17 the district mill value per high school ANB is less than the corresponding statewide mill value per  
18 elementary ANB or statewide mill value per high school ANB, the district may receive guaranteed tax base  
19 aid based on the number of mills levied in support of the debt service fund."

20

21 **Section 7.** Section 20-9-368, MCA, is amended to read:

22 **"20-9-368. Amount of guaranteed tax base aid -- reversion.** (1) The amount of guaranteed tax base  
23 aid per ANB that a county may receive in support of the retirement fund budgets of the elementary school  
24 districts in the county is the difference between the county mill value per elementary ANB and the  
25 statewide mill value per elementary ANB, multiplied by the number of mills levied in support of the  
26 retirement fund budgets for the elementary districts in the county.

27 (2) The amount of guaranteed tax base aid per ANB that a county may receive in support of the  
28 retirement fund budgets of the high school districts in the county is the difference between the county mill  
29 value per high school ANB and the statewide mill value per high school ANB, multiplied by the number of  
30 mills levied in support of the retirement fund budgets for the high school districts in the county.

1           (3) The amount of guaranteed tax base aid that a district may receive in support of a technology  
2 acquisition fund budget or up to 40% of the basic entitlement, up to 40% of the total per-ANB entitlement  
3 budgeted within the general fund budget, and up to 40% of the special education payment is calculated  
4 in the following manner:

5           (a) multiply the sum of the district's direct state aid and 40% of the special education allowable  
6 cost payment by the corresponding statewide guaranteed tax base ratio;

7           (b) subtract the taxable valuation of the district from the product obtained in subsection (3)(a); and

8           (c) divide the remainder by 1,000 to determine the equivalent to the dollar amount of guaranteed  
9 tax base aid for each mill levied.

10           (4) Guaranteed tax base aid provided to any county or district under this section is earmarked to  
11 finance the fund or portion of the fund for which it is provided. If a county or district receives more  
12 guaranteed tax base aid than it is entitled to, the excess must be returned to the state as required by  
13 20-9-344."

14

15           NEW SECTION. Section 8. Codification instruction. [Sections 1 and 2] are intended to be codified  
16 as an integral part of Title 20, chapter 9, part 5, and the provisions of Title 20 apply to [sections 1 and 2].

17

18           NEW SECTION. Section 9. Effective date -- applicability. [This act] is effective on passage and  
19 approval and applies to school district budgets for the school fiscal year beginning July 1, 1995.

20

-END-



STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0101, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act allowing trustees of a school district to create a technology acquisition fund for acquiring and maintaining technological equipment and for technical training for district personnel; limiting a technology acquisition fund budget to 2 percent of the general fund budget of a district; authorizing a permissive levy and guaranteed tax base aid to finance the technology acquisition fund budget.

ASSUMPTIONS:

1. School district general fund budgets for FY95 total \$620.25 million. District general fund budgets will grow approximately 4% each fiscal year of the biennium. District general fund budgets will be \$645 million in FY96 and \$670 million in FY97.
2. SB 101 allows school districts to establish a technology acquisition fund and budget an amount equivalent to 2% of the district's general fund budget. Districts could budget up to \$12.9 million in FY96 and \$13.4 million in FY97.
3. Districts will not have any fund balances or nonlevy revenue to fund their technology acquisition fund budgets in the first year that the fund is established. The levy requirement in FY96 could be as high as \$12.9 million. For every \$1 levied locally in property taxes, the state will match the levy with \$1 in guaranteed tax base aid. The state cost for GTB support is up to \$6.45 million.
4. In FY97, districts will have some fund balance reappropriated and nonlevy revenue to fund the technology acquisition fund. Fund balance will fund 2.5% of the budget and nonlevy revenue will fund 4% of the budget. The levy requirement remaining after fund balance reappropriated and nonlevy revenue is taken into account could be as high as \$12.5 million in FY97. The state cost for GTB support is up to \$6.25 million.

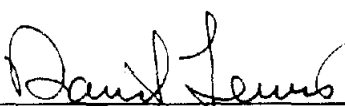
FISCAL IMPACT:

Expenditures: If all districts make full use of the authorized levy State GTB costs are estimated to increase by as much as \$6.45 million in FY96 and \$6.25 million in FY97.

Revenues: No impact on state revenues.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local school district expenditures will increase as a result of this bill by as much as \$12-13 million annually. The local property tax increase necessary to support these increased expenditures is estimated to be approximately \$6 million annually.

 1-19-95  
DAVID LEWIS, BUDGET DIRECTOR DATE  
Office of Budget and Program Planning

 1-20-95  
LINDA NELSON, PRIMARY SPONSOR DATE

Fiscal Note for SB0101, as introduced

**SB 101**

Fiscal Note Request, SB0101, as introduced

Page 2

(continued)

TECHNICAL NOTES:

1. The trustees of a district adopt a budget for the "current" school fiscal year, not the ensuing school fiscal year. These references should be corrected in the bill.
2. Section 2 requires the county superintendent to compute the levy requirement for the technology acquisition fund by the fourth Monday in July. The final budget of the district is not adopted until the second Monday in August, and the county superintendent reports the district levy requirements to the county commissioners on the fourth Monday in August. Therefore, the fourth Monday in August is the appropriate date by which the county superintendent must calculate the technology acquisition fund levy requirement.
3. The funds available to reduce the levy requirement for the technology acquisition fund include fund balance reappropriated. This funding source should be added to the list in Section 2. Section 2 also refers to "reappropriated revenue." This is a misnomer. Subsection (1)(a)(i), (ii) and (iv) should refer to anticipated revenue only.